

Improving Productivity Through Operational Excellence Strategies

Presented by:

Felix Vicknair – Director and OE Lead

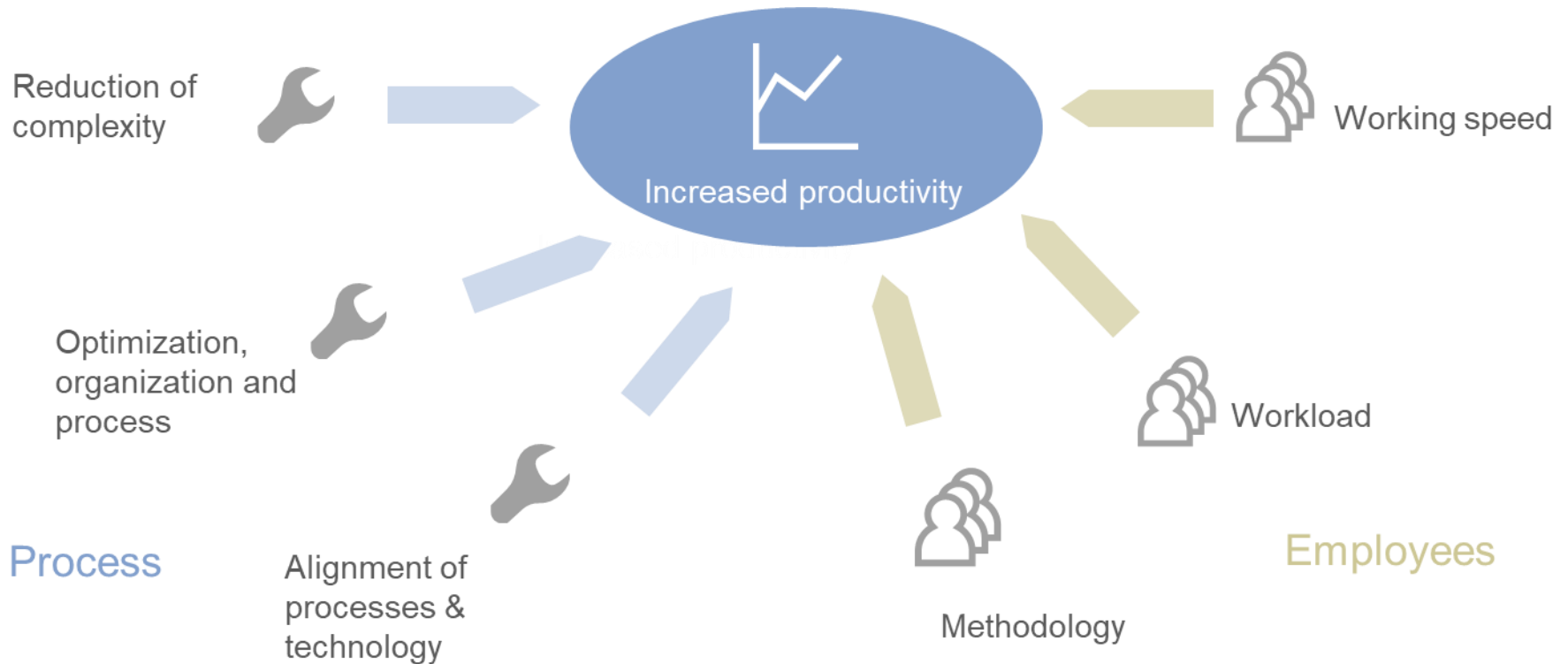
Nick Banich – Principal and Partner

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What is in an Operational Excellence Program?



Defining a Strategy: Identify the Opportunity

Process Improvement

- Operations Audit & Quick Wins
- KPIs & Benchmarking
- Lean / Six Sigma

Implementation & Go-Live

- Program Management
- Risk Analysis
- Responsibility Matrix

Sustainability

- Training / Coaching / Mentoring
- Culture Change
- Tool Development

Level of Engagement

- Assess your culture
- Evaluate your team
- Identify your obstacles

 Small steps can amount to significant value



What are the Right Questions?

Process Improvement

- What is the largest driver of Operational dollars? Do we have visibility to the largest controllable components? What immediate opportunities are available?
- What are the right metrics to track? Do we know if we're winning? Are we effectively communicating this message?
- What is the best formula for SKU rationalization?
- How can we remove non-value added waste from our operations?
- Do we have the right operational staffing strategy? Why might we be missing improvement opportunities in our indirect functions?
- What is the competition doing that gives them an advantage?
- Do we have an equipment strategy?
- Have we considered our downstream partners when we make changes. Are we sharing lessons learned across all of our facilities?



What are the Right Questions?

Implementation & Go-Live

- Is our management team prepared for change?
- Are all of the stakeholders engaged and aligned?
- Is our staff plan prepared to properly flex to the demand?
- Are we effectively onboarding? What is the feedback from the shop floor?
- How can our existing IT systems simplify the work? What systems requirements may have been overlooked?
- Are the right metrics being leveraged for success?
- Have we identified and evaluated our risks? What does plan B look like? How will mitigation plans be implemented?



What are the Right Questions?

Sustainability

- Are we effectively communicating cross-functionally?
- Do we completely own our results?
- Are we driving engagement?
- Are we invested in continuous improvement?
- How do we know if the training is understood?
- Considering the difference between Training, Coaching, and Counseling, do our leaders understand how to support the team?
- What does our culture say about our ability to succeed?
- Have we developed all of the necessary tools? Where are we working harder verses smarter?



Performance Measurement and Achievement

Business Plan Numbers

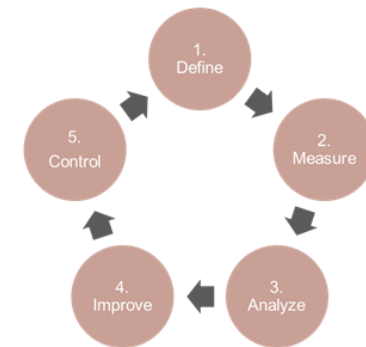
- Anticipated volumes
- Anticipated order characteristics
- Anticipated human performance
- Anticipated system performance
- Calculated work force per operational area

KPI Definition

- Define the KPI's to be tracked during transition, Go-Live and during final operations
- Define how to measure (data sources, frequency etc.)

KPI Assessment and Continuous Improvement

- Capture KPI's
- Analyze deviations, detect causes and improve/ re-define
- Engage staff in Continuous Improvement Measures



Project does not stop with Go-Live; We need to define mechanisms to reach performance targets asap

How Can Waste be Removed?

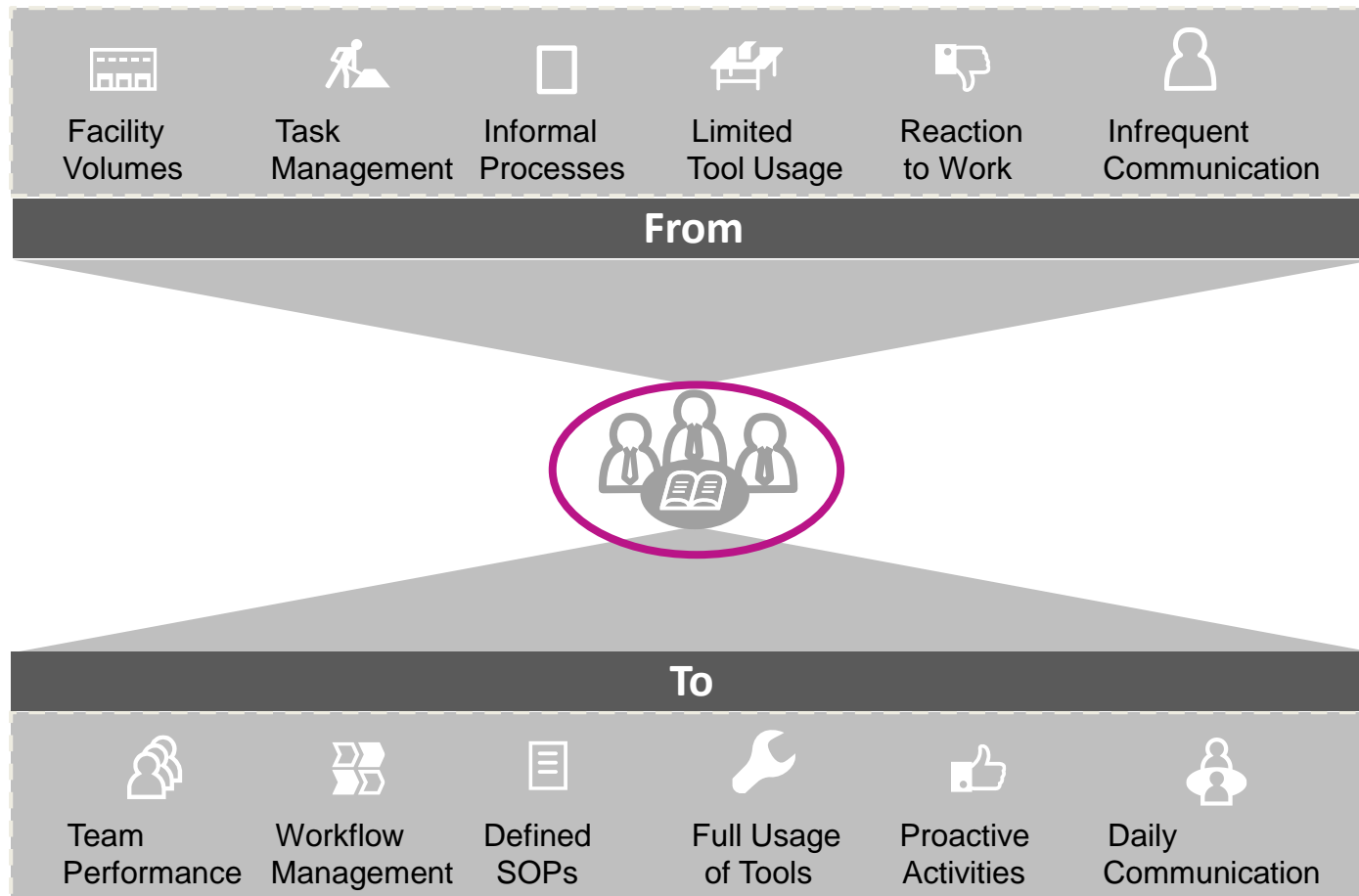
Identifying Waste



Core points

- Identification and prevention of apparent and hidden waste
- Design processes as a flow
- Error proofing
- Identification of similarities and combining them to main processes
- Handling from specialties through flexible solutions
- Gemba
- Voice of the customer
- Schedule review

Understanding the Culture Change



Building a Culture of Success

Activities	Explanation
Employee Engagement	Measuring performance is a good thing
Positive Environment	Having fun will drive successes
Change	Everyone changes at their own pace
Team Building	We will win (or lose) together
Training	Everyone needs to understand their assignments
Coaching	Everyone can use some perspective
Counseling	Sometimes there is more than just the work
Employee Retention	If the work I do is meaningful I will keep coming back

Executing the Plan

Establish the Project Plan

- Sponsorship / Steering Committee / PM / Users
- Charter the project

Develop the Business Case

- Quantitative Data
- Qualitative Data
- Evaluation Matrix

Engage all Stakeholders

- Responsibility Matrix
- Risk Assessment
- Change Management

Execute the Plan

- Implementation Schedule
- KPI Measurements
- Sustainability

Takeaway: Keys to Success

Ownership

- Standard Operating Procedures
- Leadership buy-in and ownership
- Daily usage must be built into the routines
- Action must be taken
- Maintenance – change is the only constant
- Management of the workflow – Planning the coordination of employee movements
- Management of employees
 - Daily/Weekly Planning
 - Setting expectations and holding people accountable
 - Keeping employees motivated
 - Observations and tracking
 - Feedback and coaching
- Reporting administration

What can we expect?

Improved Productivity

- Focus on Performance
- Indirect time is reduced
- Improved Staffing and Equipment utilization
- Training is standardized and maintained

Communication

- Meaningful, daily dialog between employees and managers
- Where do you begin to combat a poor quality, efficiency, or service record?

Framework for Continuous Improvement

- Metrics are aligned
- Opportunities are identified
- Results are measurable

For More Information:

Nick Banich: banich@miebach.com

Felix Vicknair: vicknair@miebach.com

www.miebach.com

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